

## **Minutes of the Finance Committee**

**Wednesday, May 7, 2003**

Chair Haukohl called the meeting to order at 8:46 a.m.

**Present:** Supervisors Pat Haukohl (Chair), Joe Griffin, Don Broesch, and Joe Marchese. Mike Sonnentag arrived at 8:50, Jim Behrend at 9:07, and Genia Bruce at 9:15. Sonnentag left at 9:55.

**Also Present:** Legislative Policy Advisor Mark Mader, Chief of Staff Lee Esler, Public Works Director Rich Bolte, Parks Systems Manager Jim Kavemeier, Land Information Systems Coordinator Don Dittmar, County Board Supervisor Bob Thelen, Treasurer Pam Reeves, Principal Financial Projects Analyst Bob Ries, Accounting Services Manager Larry Dahl, County Board Chair Jim Dwyer, Senior Financial Analyst Andy Thelke, Budget Manager Keith Swartz, and Budget Specialist Linda Witkowski.

### **Approve Minutes of April 16, 2003**

**MOTION:** Griffin moved, second by Broesch to approve the minutes of April 16. Motion carried 4-0.

### **Executive Committee Report**

Haukohl advised of the following issues discussed at the last Executive Committee meeting.

- The 2002 Annual Report of the Federated Library was presented. Also discussed were the Act 150 Committee recommendations for the county's library systems. An ordinance will be forthcoming to accept these recommendations. A second ordinance may be presented to create an ad hoc committee to look into the capital costs issue.

Sonnentag arrived at 8:50.

- Reviewed UW-Extension's applications for 2004 Community Development Block Grant funds for the neighborhood revitalization programs. Again, concerns were raised as to why staff are concentrating so much time and money on certain areas of the County. A programming evaluation report will be presented to the Executive Committee, possibly in June, and will include measurable outcomes.
- Supervisor Kathleen Cummings may come forward with an amendment to Chapter 7 of the County Code as it relates to capital projects.

### **Schedule Next Meeting Dates**

May 21<sup>st</sup>.

### **Announcements**

Haukohl said the County Board will be invited to attend a future Public Works Committee meeting when they review jail construction details, bids, and alternates.

Sonnentag said due to increased responsibilities at his other job, he will be resigning from the County Board effective next Tuesday.

### **Read Correspondence**

- Memo from County Clerk Kathy Nickolaus to the Finance Committee dated May 6 regarding a change of intent for budgeted funds. The committee requested that she attend the next meeting to explain this further.
- Memo from Sheriff's Business Manager Tom Koth to the Finance Committee dated April 25 regarding a change of intent for budgeted funds. A consensus of the committee had no concerns with this.

- Copy of a letter to County Clerk Kathy Nickolaus from State Secretary of Revenue Michael Morgan regarding the County's mandate waiver request for the Lottery and Gaming Credit five-year certification process. The waiver request was denied.
- E-mail from Treasurer Pam Reeves that included recommendations from the President of the Treasurer's Association for changing the Lottery and Gaming Credit process.

**Ordinance 158O- 002: Determination of Necessity and Relocation Order for the Expansion of the Waukesha County Justice Center Waukesha County Project 200211**

Bolte said this ordinance authorizes the purchase of the last of five properties on Buena Vista needed to construct the new jail. Bolte distributed information on valuation, assessment and tax information. The County will pay the occupants \$105,000, the appraised value of the home, as well as \$1,100 in moving expenses and actual closing costs. Demolition costs will be determined after the current occupants are relocated due to the need to test for asbestos.

Behrend arrived at 9:07.

**MOTION:** Broesch moved, second by Sonnentag to approve ordinance 158-O-002. Motion carried 6-0.

Bruce arrived at 9:15.

**Ordinance 158O- 003: Benjamin Property Acquisition**

Kavemeier said the property includes about 1,500 feet of Fox River frontage and it's part of the County's Parks & Open Space Plan. This ordinance was denied twice before by the County Board. Mader noted that the Land Use Committee approved this unanimously (5-0) and without debate at yesterday's meeting. He advised that it will require a majority vote on the County Board floor. Kavemeier advised that the purchase price is \$210,000 which is the same as what it was previously. The current owner would prefer that the land be preserved and not developed.

Kavemeier said the ordinance states that the County will apply for State or Federal aid that may be available. He noted that the State's Joint Finance Committee the other day turned down a grant request, which the DNR supported and recommended, for stewardship funds. The department will still apply for funding but will purchase the land without it because they believe it's the right thing to do. Marchese had a general concern that all purchased properties for parkland purposes are taken off the tax rolls. Kavemeier went on to explain the County's reasoning and philosophy behind these purchases.

**MOTION:** Behrend moved, second by Griffin to approve ordinance 158-O-003. Motion carried 7-0.

**Ordinance 158O- 004: Hintz Property Wetland Mitigation Project**

Kavemeier said the Hintz property was acquired by the County in 2000 as a former sod farm and is adjacent to a state natural area. The department has partnered with the State DNR and the Fox River Commission to initiate a wetland/mitigation project for the Hintz Property. Jerald L. Wuhrman and Hillcrest Development and Building, Inc. have entered into a consent agreement and final order with the U.S. Environmental Protection Agency regarding the mitigation of wetlands allegedly destroyed at the property known as the Hillcrest Development in Waukesha.

Retzer Nature Center staff and volunteers, as part of their normal duties and responsibilities, will perform the work over a three-year period. Wuhrman has agreed to provide \$50,000 to cover the projected costs to implement the Hintz property restoration plan. No additional expenditure authority is being appropriated through this ordinance. The department anticipates being able to perform the necessary work within annual operating appropriations included in the Retzer Nature Center budget for 2003 for work they would be doing anyway. The department indicates they will not require any additional resources, over base 2003 expenditures, to continue the program in 2004 and 2005.

**MOTION:** Behrend moved, second by Bruce to approve ordinance 158-O-004. Motion carried 7-0.

**Ordinance 158O- 006: Authorize the Acceptance of Donation for the Waukesha County Exposition Center and Appropriate Donated Funds**

Kavemeier referred to a recent newspaper article on this ordinance.

**MOTION:** Broesch moved, second by Behrend to approve ordinance 158-O-006. Motion carried 7-0.

**Ordinance 158O- 005: Accept Wisconsin Land Information Grant and Appropriate Additional Expenditure Authority for the Land Information Systems Division**

Dittmar said this ordinance involves accepting a State grant totaling \$183,554. All grant tasks must be completed by December 31, 2004. He noted that \$144,000 of the grant will be appropriated in the 2003 budget and will be used to convert all land records information data to an ESRI Geodatabase format to provide additional capabilities for linking to Register of Deeds documents and other county developed data, provide access to previously inaccessible historic aerial photography, and create more accurate floodplain maps. The remaining \$39,554 in grant funding will be appropriated in the 2004 LIS operating budget. Dittmar said he originally anticipated only \$60,000 in grant funds so this was good news. Broesch advised of a mathematical error in the fiscal note.

**MOTION:** Behrend moved, second by Sonnentag to approve ordinance 158-O-005. Motion carried 7-0.

Sonnentag left the meeting at 9:55.

**Review and Consider the Process for Selling Tax Foreclosed Properties**

Reeves, Reis, and Dahl were present for discussion. Haukohl said this issue was on today's agenda due to concerns by the Committee and by County Board Supervisor Bob Thelen who served on a Tax Deed Committee to sell a tax foreclosed property in the Town of Oconomowoc. Among Thelen's concerns was that it sold for less than what he felt it should have been sold for. (See Finance Committee minutes of April 2, 2003, Public Comment section, for further information).

Reeves distributed excerpts from the State Statutes and an adopted County ordinance which relate to this issue. Reeves discussed the process and that once the property is foreclosed upon for failure to pay taxes it's titled to the County. The Parks & Land Use Department has first claim to these properties for their green space plan. If not taken by Parks, the municipality is notified and they can acquire the property for the price of the back taxes. If not taken by the municipality, the property is appraised and then advertised for auction in the paper for three weeks. Those properties that aren't sold remain County-owned and go on a list, available to the public, which includes the appraised value and the minimum purchase price the county can accept for the property.

Haukohl referred to the Oconomowoc lot which was acquired around 1994. She asked if it went through this same process. Reeves said yes and nobody bought it. Haukohl asked, later on, were there any attempts to re-notify the public or was it re-appraised. Reeves said not by the Tax Deed Committee but the Delinquent Property Committee's responsibility is to go over these properties and identify ones that might be saleable to get them back on the tax rolls. Haukohl asked when did they review this particular property? Reeves said in 2001, Parks & Land Use reviewed the entire list and identified certain properties that should have soil tests so if someone questions the property we know if it can or cannot be built on. If it's not buildable, the price may be lowered with the hopes of selling it to somebody who doesn't want to build on it. On the other hand, if it is buildable, we'll probably want to get it reappraised and bring up the value. Haukohl asked if this particular property was officially reappraised whereby Reeves said yes – by a certified appraiser.

Haukohl asked if a report could be placed on file as to why a price may have changed, either up or down. Reeves said the current files do not include this information and she noted that most of these files came from the former treasurer. The former treasurer liked to have properties reappraised every three or four years. The Oconomowoc property in question had an original purchase price of \$18,000 and it may have been lowered to make it more saleable.

Haukohl was concerned that the tax foreclosed properties list, kept by the treasurer, only includes the tax key number. There is nothing on there that states if it includes a house, how large the lot is, etc. Reeves said they don't have any of that information, the local assessor does, and she doesn't want to include information on the list that she's not 100% sure of. Haukohl would like to see a better description included at least in the newspaper when they're advertised for auction. Reeves advised that they notify the adjacent property owners and they are all sent a map. This is done prior to auction but it's never done again.

Thelen asked why are county board supervisors on this Tax Deed Committee? He was unaware what his job was as a member. No description or details on the property are available, therefore, how are they supposed to know what the real value is before they approve the sale? Haukohl said this property was last looked at in 2001. She asked what was the Delinquent Property Committee's final conclusion, because at the time they must have known that a subdivision was going in right across the street? Reeves said Parks & Land Use staff reviewed it at that time and determined that this property did not need to be soil tested. Haukohl noted there are a lot more properties that are now buildable that weren't buildable in the past because of COMM 83. She believes we'll be running into this more often and, therefore, we need to keep better records and more information for making decisions as to what parcels should be sold for.

Behrend shared some of Thelen's concerns but he felt the process isn't an exact science and the goal in the end is to not hold onto land. He suggested we send a letter to the neighbors every year or two simply because they may be very motivated buyers. Broesch agreed with Haukohl that better records and information needs to be kept for each property with regards to assessments, soil tests, etc. Reeves reiterated that she doesn't have this information available to her. Broesch said, and yet you're the person that makes the decision on the sale of a property. She said she would not keep information on zoning because she has no control over that which can be changed at any time by the municipality. Nonetheless, Broesch felt there is some due diligence that is required by the County with regards to the sale of these properties. He felt a form or checklist should be developed to keep track of important information. Broesch said if he were ever a member of a Tax Deed Committee, he would not be able to make a decision on the sale unless he had documented facts on which to base his decision.

Reeves noted that Parks & Land Use staff does assess the property. They take a picture and document whether hazardous materials have been dumped there. This is done prior to auction. Reeves said everything Broesch wants to know about these properties, they knew. Broesch said he still felt it needs to be documented somewhere. They sold it for a price comparable to the assessed value of the same size lot closest to it. It sold within \$3,000 of the assessed value of the closest comparable lot. Reeves said the lot is not buildable and it would have cost about \$1,500 to test it. She did not think it would be worth spending that much money on a soil test on a lot that's near a highway, is downhill, and was comparably priced. Getting a good appraiser is an issue too, as well as how often it should be appraised. Reeves noted that the person who bought the lot is the only person that has come forward wanting to buy it since it was available.

Esler asked how many properties do we take over each year? Reeves said we average about five per year. Esler said Department of Administration, legal counsel, and Environmental Resources staff are all part of the Delinquent Property Committee and they should be able to determine something about five properties each year. It shouldn't be a huge task. Esler asked who is our current appraiser and what report does he provide us? Reeves said Rick Larkin is the appraiser and he does a wonderful job. His reports include

pictures, comparables, etc. Some of the older appraisals, which were done by a different appraiser, aren't as detailed and she can only work with what she has. Esler felt it was important that a file be started on each property at the very beginning of the process to keep information, including why it went delinquent in the first place. Haukohl asked why couldn't we put some of the bigger, better properties that don't sell up for auction again? Reeves said that's a possibility.

Reeves said she follows the State Statutes and the ordinance. Any changes to the process needs to be decided by the County Board as dictated. Haukohl said suggestions for new guidelines / procedures will be agendized for a future Finance Committee meeting.

#### **Update on an Alternative Certification Process for the Lottery Credit**

Reeves said the waiver request was denied. The President of the Treasurer's Association had met with the Department of Revenue who indicated they don't want to waive every county from doing the certification method just because counties are stating they already have a good process. They want to know what the process is and they want county treasurers to put together guidelines to be followed by all county treasurers throughout the state. The Treasurer's Association will meet again in June and specific proposed requirements must be submitted to the Department of Revenue by July 1<sup>st</sup>. Haukohl asked if Reeves would report back after that time to give an update.

#### **Year-End Report on Special Revenue Funds**

Swartz and Witkowski reviewed their year-end report on special revenue operations. Preliminary, unaudited year-end combined special revenue funds results showed expenditures, including purchase orders and carryover obligations, at \$91.7 million, a remaining expenditure balance of \$1.1 million or 1.2% below the modified expenditure budget of \$92.8 million. Combined year-end revenues after including allowances for fund balance budgeted for open purchase orders and approved carryovers are at \$73.5 million or \$1.1 million greater than the 2002 modified budget. Witkowski went on to review each of the funds as outlined in the report. Of the County's 13 special revenue funds, only the Mental Health Center Fund 350 showed an unfavorable year-end budget variance which totaled \$54,716.

#### **Future Agenda Items**

For the next meeting: State Legislative Update (Haukohl)

When available: Transit Report on Adjusted Routes (Haukohl)

**MOTION:** Marchese moved, second by Bruce to adjourn at 12:00 noon. Motion carried 6-0.

Recorded by Mary Pedersen, Legislative Associate.

Respectfully submitted,

Joseph F. Griffin  
Secretary